Listing out of fake companies by SEBI

*338. MISS MABEL REBELLO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Securities and Exchange Board of India (SEBI) has taken any measures to list out the fake companies in the capital market;

(b) if so, the details thereof;

(c) the number of companies which have sought approval from SEBI for the Initial Public Offering in the Capital market during the last one year; and

(d) the names of these companies and the amount of capital they plan to raise from the public?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) The Government has set up a joint mechanism, called, the Coordination and Monitoring Committee for identifying and taking appropriate action with respect to vanishing companies. Secretary, Department of Company Affairs (DCA) and Chairman, Securities and Exchange Board of India (SEBI) are the Co-Chairmen of this Committee. The Committee evolved at the following criteria for identifying companies as vanished companies:

1. Companies which have not complied with listing requirements of stock exchanges for a period of 2 years;
2. Companies which have not complied with the filing requirements of the Registrar of Companies (ROCs) concerned for a period of 2 years;
3. Companies from which no correspondence has been received by the exchange for a long time; and
4. No office is found to be located at the mentioned registered office address of the company at the time of inspection by the stock exchange.

A company is identified as a vanishing company only if all the above criteria are met. So far, out of 7050 issues which came during 1992--98, 175 companies have been identified as vanising companies. The total issue size involved is Rs. 950.41 crores.

SEBI has intimated that till date, 87 companies and 336 directors have been debarred by SEBI from associating in any manner with capital market related activities for a period of 5 years. Department of Company Affairs has also taken action in terms of the provisions of the Companies Act, 1956.

(c) and (d) Ten companies have filed prospectus for approval from SEBI for IPO/Offer for sale during the last one year. The names of the companies and the amount proposed to be raised are given in the Statement:

Statement

Companies that have filed prospectus with SEBI
During April 01- March 02

Issuer	**Type of Issue**	**Offer size (Rs. in Lakhs)**
Manush Distributors Limited	Public	264
Dwarikesh Sugar Industries Limited	Offer For Sale	1190
Singhal Credit Management Limited	Public	250
Gurukul Technologies Limited	Public	500
Vins Bioproducts Limited	Public	90
Bharti Tele-Ventures Limited	Public	83402
CEE (I) TV Entertainment Limited	Public	569
Ken Software Technologies Limited	Public	540
Punjab National Bank	Public	16449
I-Flex Solutions Limited	Public	20997
	Total	**124250**
Total No. of Issues	**10**	
Total Amount (Rs. in Crores)	**1242.50**	